



CITY OF HOUSTON
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October 30, 2020

The Honorable Tracy O. King
Members of the House Committee on Licensing & Administrative Procedures
Texas House of Representatives
PO Box 2910
Austin, TX 78768

RE: Committee Meeting 10/30/2020 - Charge #1, House Bill 1545

Dear Chairman King and Members of the Committee,

The City of Houston (Houston or City) appreciates the opportunity to submit written comments regarding Charge #1, with regards to House Bill 1545 (HB 1545) relating to the continuation and functions of the Texas Alcoholic Beverage Commission (TABC).

During the 86th Legislature, the Sunset Commission completed a “refresh” of the Texas Alcoholic Beverage Code, renaming several categories of alcohol permits, eliminating some, and combining others. During that session, Houston staff found one unintended consequence related to this refresh that would make the work done by cities/counties in determining locations eligible to sell alcohol an *unfunded mandate* because we would continue to have the duty to determine whether a location was wet or dry under the statute, but would no longer have the authority to collect the fees associated with that responsibility. When the consequence was brought to the attention of the Commission, Commission Staff agreed that this was an oversight, and they brought forth an amendment intended to fully correct the issue. The changes will go into effect on September 1, 2021.

However, although the amendment corrected the oversight that would have eliminated cities’ and counties’ ability to collect these fees, it did not address our ability to assess these fees based on the *new* names of the permits. Under the statute, cities and counties will only be authorized to charge those fees specifically designated in the statute as of August 31, 2021, as authorized by Section 5.50 in conjunction with Sections 11.38 and 61.36. As stated above, several of the existing permits were combined, eliminated, or otherwise renamed. For example, the former “wine and beer retailers” permit has been renamed the “wine and malt liquor” permit. Yet in the law, cities and counties are eligible to collect fees only for “wine and beer retailers” permit, which will cease to exist as of September 1, 2021. Based on the Committee proceedings and the amendment that was approved, we believe the legislative intent was to allow cities and counties to collect fees for those permits that were combined or renamed.


We are seeking assistance to obtain a final crosswalk of the newly named permits with their previous names and the fees cities and counties are authorized to charge based on the new permit categories. In addition, we are seeking clarification on how the TABC intends to implement the changes going forward, i.e. will all permits change immediately on September 1, 2021 or will it be done at each permit’s renewal thereafter? This final crosswalk of permits, licenses, and fees along with TABC implementation will

Council Members: Amy Peck Jerry Davis Abbie Kamin Carolyn Evans-Shabazz Dave Martin Tiffany Thomas Greg Travis Karla Cisneros
Robert Gallegos Edward Pollard Martha Castex-Tatum Mike Knox David W. Robinson Michael Kubosh Letitia Plummer Sallie Alcorn
Controller: Chris Brown

allow the City of Houston to determine if amendments to clarify the intent, as we understand it to be, need to be taken up in the upcoming legislative session.

Respectfully submitted,

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Tina Paez, Director
Department of Administration & Regulatory Affairs
City of Houston